

EXHIBIT 13

Excerpts from August 11, 2020 Deposition of Robert Doty

(Attached)

1 IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO
2 PROMESA TITLE III
CASE NO: 17-BK-03283 (LTS)

3
IN RE: THE FINANCIAL OVERSIGHT AND
4 MANAGEMENT BOARD FOR PUERTO RICO
as representative of
5
THE COMMONWEALTH OF PUERTO RICO, et al.,
6 Debtor(s).

7
IN THE UNITED STATES DISTRICT COURT
8 FOR THE DISTRICT OF PUERTO RICO
PROMESA TITLE III
9 CASE NO: 17-BK-03566 (LTS)
10 IN RE: THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO
11 as representative of
12 THE EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF PUERTO
13 RICO,
Debtor(s).

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17 CONFIDENTIAL
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19 REMOTE VIDEOTAPED EXPERT DEPOSITION UNDER
20 ORAL EXAMINATION OF
21 ROBERT DOTY
22 DATE: August 11, 2020
23
24
25 REPORTED BY: MICHAEL FRIEDMAN, CCR

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF PUERTO RICO
3 ADV. PROC. NO: 17-00356 (LTS)
4 THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL
5 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,
6 ACTING BY AND THROUGH ITS MEMBERS,
7 -and-
8 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
9 OF ALL TITLE III DEBTORS (OTHER THAN COFINA)
10 -as co-trustees of
11 THE EMPLOYEES RETIREMENT SYSTEM OF THE
12 GOVERNMENT OF PUERTO RICO,
13 Plaintiff(s),
14
15 vs.
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17 DEFENDANT IM, et al.,
18 Defendant(s).

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12
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14 IN THE UNITED STATES DISTRICT COURT
15 FOR THE DISTRICT OF PUERTO RICO
16 ADV. PROC. NO: 17-00357 (LTS)
17 THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL
18 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,
19 ACTING BY AND THROUGH ITS MEMBERS,
20 -and-
21 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
22 OF ALL TITLE III DEBTORS (OTHER THAN COFINA)
23 -as co-trustees of
24 THE EMPLOYEES RETIREMENT SYSTEM OF THE
25 GOVERNMENT OF PUERTO RICO,
26 Plaintiff(s),
27
28 vs.
29
30 STOEVEER GLASS & CO., et al.,
31 Defendant(s).

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF PUERTO RICO
3 ADV. PROC. NO: 19-00359 (LTS)
4
5 THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL
6 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,
7 ACTING BY AND THROUGH ITS MEMBERS,
8 -and-
9 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
10 OF ALL TITLE III DEBTORS (OTHER THAN COFINA)
11 -as co-trustees of
12 THE EMPLOYEES RETIREMENT SYSTEM OF THE
13 GOVERNMENT OF PUERTO RICO,
14 Plaintiff(s),
15 vs.
16 DEFENDANT 1H-78H, et al.,
17 Defendant(s).

18 IN THE UNITED STATES DISTRICT COURT
19 FOR THE DISTRICT OF PUERTO RICO
20 ADV. PROC. NO: 19-00361 (LTS)
21
22 THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL
23 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,
24 ACTING BY AND THROUGH ITS MEMBERS,
25 -and-
26 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
27 OF ALL TITLE III DEBTORS (OTHER THAN COFINA)
28 -as co-trustees of
29 THE EMPLOYEES RETIREMENT SYSTEM OF THE
30 GOVERNMENT OF PUERTO RICO,
31 Plaintiff(s),
32 vs.
33 DEFENDANT 1G-50G, et al.,
34 Defendant(s).

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF PUERTO RICO
3 ADV. PROC. NO: 19-00366 (LTS)
4
5 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
6 FOR PUERTO RICO,
7 -as representative of
8 EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT
9 OF THE COMMONWEALTH OF PUERTO RICO,
10 -and
11 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
12 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),
13 -as Section 926 trustee of
14 THE COMMONWEALTH OF PUERTO RICO,
15 Plaintiff(s),
16
17 vs.
18
19 ANDALUSIAN GLOBAL DESIGNATED ACTIVITY
20 COMPANY, et al.,
21 Defendant(s).

13 IN THE UNITED STATES DISTRICT COURT
14 FOR THE DISTRICT OF PUERTO RICO
15 ADV. PROC. NO: 19-00367 (LTS)
16
17 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
18 FOR PUERTO RICO,
19 -as representative of
20 EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT
21 OF THE COMMONWEALTH OF PUERTO RICO,
22 -and
23 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
24 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),
25 -as Section 926 trustee of
THE COMMONWEALTH OF PUERTO RICO,
Plaintiff(s),
vs.
GLENDON OPPORTUNITIES FUND, LP, et al.,
Defendant(s).

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5 TRANSCRIPT of the virtual videotaped

6 deposition of the expert witness, called for Oral

7 Examination in the above-captioned matter, said

8 deposition being taken by and before MICHAEL

9 FRIEDMAN, a Notary and Certified Court Reporter of

10 the State of New Jersey, via video teleconference,

11 by WebEx, on August 11, 2020, commencing at

12 approximately 9:35 in the morning.

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DR. WILLIAM HILDRETH

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PETER FRIEDMAN

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1 ROBERT DOTY,

2 called as an expert witness, having been

3 first duly sworn according to law, testifies as

4 follows:

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6 EXAMINATION BY MR. STEWART:

7 Q Good morning, Mr. Doty. I'm Geoff

8 Stewart of the firm of Jones Day. We

9 represent the bondholders of certain bonds

10 issued by the Employees Retirement System of

11 Puerto Rico.

12 (Whereupon a discussion was held

13 off the record.)

14 Q Mr. Doty, I will refer to the

15 retirement system as "ERS," if that's okay

16 with you?

17 A Understood.

18 Q And I'm going to keep my voice up,

19 so I apologize if it sounds like I'm shouting

20 at you. I apologize in advance for that.

21 Could you share your full name and

22 your residential address?

23 A Robert Walter Doty, 988 Placid

24 Court, Arnold, Maryland, 21012.

25 Q And how long have you lived in

1 Q Do you intend to testify about any

2 legal principles?

3 A No.

4 Q Or legal conclusions?

5 A No.

6 Q Or legal theories?

7 A No.

8 Q When were you retained as an expert

9 in the case?

10 A In February of this year -- well,

11 actually, retained, I was retained in March.

12 Q And who retained you?

13 A Brown and Rudnick.

14 Q And who from Brown and Rudnick did

15 you work with?

16 A Primarily Chelsea Mullarney.

17 Q How many hours have you worked in

18 this engagement?

19 A A little bit over a 140 to --

20 between 140 and 150, I would say.

21 Q What is the total amount of fees

22 you have charged?

23 A The total amount of fees I have

24 charged to date?

25 Q Correct.

1 Q Did each maturity of the ERS bonds
2 have its own CUSIP number?

3 A That is my understanding.

4 Q It says here the registered owner
5 is Cede, C-E-D-E, and Company?

6 A Yes, sir.

7 Q Could you tell us what Cede and
8 Company is?

9 A Cede and Company is the designee of
10 Depository Trust Company to be shown as the
11 owner of the bonds for purposes of
12 facilitating electronic trading.

13 Q And for the record, could you tell
14 us what the Depository Trust Company is?

15 A The Depository Trust Company is a
16 company created to facilitate electronic
17 trading, and to eliminate paperwork so that
18 we no longer have paper bonds. We have
19 electronic bonds.

20 Q Have you heard of something called
21 a "global" or "jumbo" bond certificate?

22 A I have heard the term. I mean, my
23 understanding is there would be a jumbo
24 certificate for Depository Trust Company
25 here.

1 It's been a while since I dealt
2 with that, but it -- and I'm a little bit
3 uncertain about how it relates specifically
4 to each individual maturity.

5 Q Okay. Now, if we look at
6 Exhibit 6, it says registered owner is Cede
7 and Company.

8 Does that indicate that Cede and
9 Company owns this maturity for all purposes?

10 MR. BASSETT: Objection. Calls for
11 a legal -- sorry. That's my fault. I
12 wanted to clarify that my objection was
13 on the basis that the question called
14 for a legal conclusion.

15 Q Okay. And you can answer it,
16 Mr. Doty.

17 A I don't think the fact that Cede
18 and Company's name is on this bond as -- by
19 itself, that broad indication.

20 Q Why not?

21 A What it shows is that Cede and
22 Company is the registered owner. That
23 doesn't mean that it is -- if we could go
24 back -- I'm recalling -- I'm going to have to
25 ask to have the question reread.

1 I think I need to have the question

2 more firmly in my mind.

3 Q Okay. Let me go back.

4 What does it mean to say that

5 someone is a "registered owner" of the bond?

6 A It means that they are the

7 registered owner of the bond with the

8 trustee.

9 So that's what that means.

10 Q Does that mean they're the only

11 person with legal rights to the bond?

12 MR. BASSETT: Objection.

13 A Not by itself, it doesn't.

14 Q What else would one need to know in

15 order to learn who has other legal rights to

16 the bond?

17 A You would need to read the bond

18 resolution and see what rights the bond

19 resolution gives.

20 Q Now, these bond issues, as I think

21 you've testified, were sold to the public

22 through an underwriting syndicate.

23 Correct?

24 A Correct.

25 Q Do you know whether this particular

1 all simultaneous. The bonds had been sold,
2 the public is obligated to buy the bonds.

3 And the -- they are paying for the
4 bonds that -- at the time of the closing, and
5 the underwriters are getting that money from
6 them, and the bonds are going directly to DTC
7 and -- into the various accounts at DTC.

8 It's all simultaneous.

9 Q So is it your testimony that at no
10 point the underwriters own the bonds?

11 MR. BASSETT: Objection.

12 A I think that you're -- I mean,
13 we're getting pretty far afield from my
14 opinions. There -- you know, I can't speak
15 for the universe of every single transaction.

16 But as a general rule, the
17 underwriters would not go into the
18 transaction without having commitments on the
19 other side from the investors. And when the
20 bonds are issued, you see the -- we saw
21 specific maturities and so on going to DTC.

22 And when they go to DTC, they're
23 going to the accounts for the participants at
24 DTC. It's going to be a legal -- a legal
25 conclusion as to whether, for some nanosecond

1 or something, underwriters might or might not
2 own the bonds.

3 I think that's a legal conclusion.

4 But as a practical matter, the underwriters
5 are not going to enter into the transaction
6 without having the commitments from investors
7 on the other side.

8 Q Do you know one way or the other,
9 in this particular bond transaction, whether
10 the underwriters did or did not have
11 commitments from investors to purchase all of
12 the bonds?

13 A No.

14 Q Now, is it not the case that the
15 underwriters themselves are participants in
16 DTC?

17 MR. BASSETT: Objection, outside of
18 the scope of his report.

19 A I don't actually know. But I can
20 surmise.

21 Q What is your surmise?

22 A Well, UBS is a major firm. I would
23 surmise that they're a participant in DTC.

24 Q And the other underwriters, do you
25 have any reason to believe they're not direct

1 Q And issuers may sell municipal
2 securities to underwriters, either through
3 competitive bidding or through direct
4 negotiation with one or more preselected
5 underwriters?

6 A Correct.

7 Q I'm going to ask you about bond
8 counsel. I think I asked you previously
9 about bond counsel.

10 Is one of the obligations of bond
11 counsel to deliver an opinion stating that
12 the bonds have been validly issued?

13 MR. BASSETT: Objection to the
14 extent it's outside the scope of the
15 opinions he's been asked to offer in
16 this case.

17 A Right. Yeah, again, that's an
18 accurate statement.

19 But the answer's yes.

20 Q If bond counsel has reason to
21 believe that the issuer does not have the
22 legal authority to issue the bonds, is it
23 your opinion that the bond counsel should not
24 deliver his opinion at the closing?

25 MR. BASSETT: Same objection. He's

1 not offering an opinion on this topic.

2 A It isn't something that I analyzed
3 for this set of bond issues, but as a general
4 rule, I would agree with that.

5 Q I asked you earlier about the
6 disclosure obligation underwriters have in
7 connection with the -- with an issuance of
8 bonds.

9 Could we turn to Tab 16?

10 MR. STEWART: Mark this as
11 Exhibit 13.

12 (Whereupon the above mentioned was
13 marked for Identification.)

14 Q And again, Mr. Doty, that's Tab 16.

15 A Yes, I've got it here.

16 Q I need to find it myself.

17 Do you have it before you?

18 A I do.

19 Q Okay. So Tab 16 is Exhibit 13.

20 Is this an affidavit or declaration
21 that you submitted in a lawsuit in 19 --
22 sorry -- 2015 in New Jersey?

23 A It appears to be, yes.

24 Q Okay. Do you still subscribe to
25 the opinions that you expressed in this

1 Do you see that?

2 A I do see that.

3 Q Is that still your opinion today?

4 A Yes, that -- I think as a general
5 rule, that is correct.

6 Q Yeah. Are there exceptions to the
7 general rule?

8 A Yes.

9 Q What would examples of those
10 exceptions be?

11 A Where the investors themselves know
12 information or have access to public
13 information, I think they're responsible for
14 that, too. But in general, I would agree
15 with the statement.

16 Q Okay. I'd like to go to
17 Paragraph 17.

18 A All right.

19 Q I'm going to read it into the
20 record just so we don't have any objections
21 about my paraphrasing.

22 It says, "As noted above, in
23 accordance with customs, practices, and
24 standards of care prevailing in the municipal
25 securities market in and before 2000, and

1 today, municipal securities offering
2 documents were (and are) expected to be,
3 quote, four-corner, unquote, documents that
4 contain (and contain) all information
5 regarding the offered securities that a
6 reasonable investor would consider to be
7 important in making an investment decision."

8 Do you still subscribe to that
9 statement today?

10 A Yes.

11 Q What do you mean by a "four-corner
12 document?"

13 A That the information is supposed to
14 be in the official statement. That document
15 is supposed to contain that information.

16 Q And so an investor could look at
17 just that one document for all of the
18 information that investor reasonably could
19 need?

20 A As a general rule, I do agree with
21 that. Again, subject to the same caveat that
22 we made a little while ago.

23 Q That caveat is that if investors
24 happen to have additional knowledge of their
25 own, that also goes into the mix?

1 A Yes. And they're also responsible
2 for other public information, information
3 that's available from the public market
4 sources.

5 Q Okay. So, let me ask this. I
6 asked you earlier about ERS's disclosure
7 obligations, and we spoke about EMMA a little
8 bit.

9 Is it the case that if a board
10 member of ERS came to have a belief that
11 these bonds had been illegally issued, that
12 board member or ERS itself would be required
13 to make a disclosure of that fact?

14 MR. BASSETT: Objection, lack of
15 foundation, outside of his opinions in
16 this case.

17 A I don't know how many board members
18 ERS had. If an individual trustee concluded
19 that the bonds were not validly issued, I
20 think that trustee had a responsibility to
21 speak up.

22 If -- from an ERS perspective, I
23 think it would depend upon what others
24 associated with ERS believed, that they
25 reached the same conclusion, that they should

CONFIDENTIAL
Robert Doty - August 11, 2020

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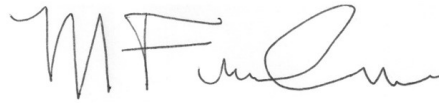
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C E R T I F I C A T E

I, MICHAEL FRIEDMAN, a Certified Court
Reporter and Notary Public, qualified in and for
the State of New Jersey do hereby certify that
prior to the commencement of the examination ROBERT
DOTY was duly sworn by me to testify to the truth
the whole truth and nothing but the truth.

I DO FURTHER CERTIFY that the foregoing
is a true and accurate transcript of the testimony
as taken stenographically by and before me at the
time, place and on the date hereinbefore set forth.

I DO FURTHER certify that I am neither a
relative of nor employee nor attorney nor counsel
for any of the parties to this action, and that I
am neither a relative nor employee of such attorney
or counsel, and that I am not financially
interested in the action.



MICHAEL FRIEDMAN, CCR of the
State of New Jersey
License No: 30XI00228600
Date: August 11, 2020